



August 9, 2001

Mr. Ed Blackford, President
AES Huntington Beach, LLC
21730 Newland Street
Huntington Beach, CA 92646

SUBJECT: HUNTINGTON BEACH POWER PLANT PROJECT, 00-AFC-13C
INTEGRATION OF NEW OR RE-POWERED GENERATING UNITS
WITH CAL-ISO

Dear Mr. Blackford:

To ensure the coordinated and reliable integration of new or re-powered generating units with California's electricity grid, generators are required to comply with the California Independent System Operator's (Cal-ISO) initial synchronization process. The Cal-ISO is currently formalizing this process by requesting that all organizations submit a letter to the Cal-ISO stating the proposed date of synchronization with the grid. The Cal-ISO must receive this letter at least one week before the new or re-powered generator initially synchronizes to the grid for testing.

In addition, the Cal-ISO is requesting that project owners provide telephone notification to the ISO Outage Coordination Department (916 351-2300, Monday through Friday between 7 a.m. and 3:30 p.m.) at least one business day before the generator initially synchronizes with the grid for testing.

To be consistent with this new Cal-ISO requirement, the California Energy Commission is processing an amendment for the Huntington Beach Power Plant Project, by adding a Condition of Certification to the Decision. As directed by the Governor's Executive Order D-25-01, concerning post-certification amendments, the Commission is expediting this modification. Energy Commission staff have concluded that this modification has no potential for adverse environmental or public health and safety impacts. Therefore, you are authorized to proceed with the Cal-ISO requirements as requested. A copy of this approval letter will be posted on the Energy Commission's website at www.energy.ca.gov. In addition, Commission staff will file a California Environmental Quality Act Notice of Exemption with the State Clearinghouse.

The following language for Condition of Certification TSE-4 will be added to the Huntington Beach Power Plant Project Decision.

TSE-4 The project owner shall provide the following Notice to the California Independent System Operator (Cal-ISO) prior to synchronizing the facility with the California Transmission system:

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- 1. At least one week prior to synchronizing the facility with the grid for testing, provide the Cal-ISO a letter stating the proposed date of synchronization; and**
- 2. At least one business day prior to synchronizing the facility with the grid for testing, provide telephone notification to the ISO Outage Coordination Department, Monday through Friday, between the hours of 7 a.m. to 3:30 p.m. at (916)-351-2300.**

Verification: The project owner shall provide copies of the Cal-ISO letter to the CPM when it is sent to the Cal-ISO one week prior to initial synchronization with the grid. A report of conversation with the Cal-ISO shall be provided electronically to the CPM one day before synchronizing the facility with the California transmission system for the first time.

If you have any comments or questions please contact Donna Stone, Compliance Project Manager, at (916) 654-4745, or by email at dstone@energy.state.ca.us.

Thank you for your cooperation.

Sincerely,

ROBERT L. THERKELSEN, Deputy Director
Systems Assessment & Facilities Siting